

INCREASING FROM \$50 TO \$75 PER MONTH THE AMOUNT
OF BENEFITS PAYABLE TO WIDOWS OF CERTAIN FORMER
EMPLOYEES OF THE LIGHTHOUSE SERVICE

JUNE 8, 1956.—Committed to the Committee on the Whole House on the State
of the Union and ordered to be printed

Mr. BONNER, from the Committee on Merchant Marine and Fisheries,
submitted the following

R E P O R T

[To accompany S. 2937]

The Committee on Merchant Marine and Fisheries, to whom was referred the bill (S. 2937) to increase from \$50 to \$75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of S. 2937 is to increase the amount of benefits payable to widows of certain former employees of the Lighthouse Service from \$50 to \$75 per month. Those who would be eligible for participation in the increase granted by this bill are widows of certain employees retired or eligible for retirement under section 6 of the act of June 20, 1918, as amended (33 U. S. C. 771 and 772). That law is presently administered by the Coast Guard, and under it, appropriations necessary in 1957 to pay widow benefits are estimated to amount to \$238,200. Passage of this bill would increase that amount by 50 percent, or by \$119,100.

Your committee believes that the increase provided for in this bill is fully justified in view of (1) the spiraling cost of living since 1950, the date when such annuities were first authorized, and (2) in view of recent increases granted to persons similarly situated under other retirement laws.

Moreover, we believe that the proposed increase is not inconsistent with the retirement policies recommended by the Committee on Retirement Policy for Federal Personnel, which suggests that in making ad-

justments in annuities, the original relationship of the basic annuity to the salary and service of the annuitant should be maintained. In this case, the original annuity was not based on any relationship to salary or other formula that are used for establishing retirement under other Federal systems. Accordingly, we recommend the adoption of the bill.

The departmental reports on companion bill, H. R. 8467, are as follows:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., April 17, 1956.

HON. HERBERT C. BONNER,
*Chairman, Committee on Merchant Marine and Fisheries,
House of Representatives, House Office Building.*

DEAR MR. BONNER: I am referring further to your letter of January 17, 1956, relative to H. R. 8467, a bill to increase from \$50 to \$75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service.

The act of August 19, 1950 provides for widows' benefits in the cases of employees (except certain professional and scientific personnel) of the Lighthouse Service who died before enactment thereof or who die thereafter if, at the time of death, such persons were receiving or entitled to receive retirement pay under section 6 of the Lighthouse Retirement Act. Should the employee or former employee in any such case be survived by a widow to whom he was married prior to his retirement from the Lighthouse Service, the widow, if she has not since remarried, is paid \$50 a month until her death or remarriage. In the case of a similar employee who has died or shall die from non-service-connected causes after 15 or more years' employment in the Lighthouse Service, his widow is paid a monthly gratuity of \$50 until she dies or remarries.

The Lighthouse Retirement Act, which established in 1918 a non-contributory retirement system for the employees covered, is administered by the United States Coast Guard and not by this office. Accordingly, in making comments on the bill which became the act of August 19, 1950, the Civil Service Commission recommended the elimination of sections 3 and 4 thereof which directed the Commission to prescribe application forms, make rules and regulations for carrying out its provisions, etc. The Commission also pointed out by way of comparison that an employee retiring under the Civil Service Retirement Act, under which he contributed a part of the system's cost, must agree to accept a reduced annuity for himself in order to provide an annuity to his widow. Further point was made that the Lighthouse widow's annuity would begin immediately regardless of her age, while one under the Civil Service Retirement Act is not payable until the widow attains age 50 unless the employee is also survived by a dependent child. The proposal was, however, passed in its existing form.

H. R. 8467 would increase to \$75 the monthly rate for these widows now on the roll and for those added in the future. It has been estimated that the appropriation necessary to pay these Lighthouse widows during the fiscal year 1957 is \$238,200, and passage of this bill would raise this figure by 50 percent, or by \$119,100. Not taking into consideration any widows who may be added to the roll in the future, paying the annuity increase during the lifetime of the present

payees would involve a total additional expenditure of over \$1 million, all of which would have to be borne by the Government.

The Committee on Retirement Policy for Federal Personnel, created by the act of July 16, 1952 to study all Federal retirement systems, made this recommendation to Congress regarding annuity increases:

"(1) The problem of adjusting the annuity benefits of retired employees and of the survivors of former employees is one which must be resolved from time to time as circumstances require, e. g., a substantial increase in the cost of living. The Committee believes that it is incumbent on the Congress when adjusting the current pay of Government employees, or when liberalizing the benefit formula for future annuitants, to reexamine the benefits paid to annuitants already on the rolls with a view to adjusting their annuities as warranted.

"(2) In making the annuity adjustments, consideration should be given to the fact that the staff retirement systems are designed primarily to provide benefits for career employees. When adjustments in annuities are made, the original relationship of the basic annuity to the salary and service of the annuitant should be maintained.

"(3) When enacting provisions for adjustment of annuities the Congress should concurrently make appropriations to finance such adjustments."

The Commission concurs in these principles. Accordingly, following enactment of the general pay raise last year, this office recommended a relative annuity increase under the Civil Service Retirement Act. Action to this end was taken by Congress in enacting the act of August 11, 1955, under which a maximum increase of 12 percent was granted.

The Commission believes that the question of any increase for Lighthouse widows should be determined only in accordance with these same principles. This office would not object to an increase approximating the same percentage allowed civil-service retirees generally, but is unable to concur in enactment of the proposal as presently drawn.

Adverse action on H. R. 8467 is accordingly recommended.

The Bureau of the Budget advises there would be no objection to the submission of this report to your committee.

By direction of the Commission:

Sincerely yours,

PHILIP YOUNG, *Chairman.*

TREASURY DEPARTMENT,
Washington, May 3, 1956.

HON. HERBERT C. BONNER,
Chairman, Committee on Merchant Marine and Fisheries,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to the request of your committee for the views of the Treasury Department on H. R. 8467, to increase from \$50 to \$75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service.

The purpose of the bill is to increase from \$50 to \$75 the monthly payment received by widows of former employees of the Lighthouse Service, other than certain professional and scientific employees, who

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were retired under section 6 of the act of June 20, 1918, the Lighthouse Service retirement law. The \$50 monthly payment was established by the act of August 19, 1950.

The Bureau of the Budget has advised that it cannot recommend enactment of the bill in its present form.

Very truly yours,

DAVID W. KENDALL,
Acting Secretary of the Treasury.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

NAVIGATION AND NAVIGABLE WATERS

(U. S. C., title 33)

SEC. 771. * * *.

Where—

(1) any former employee (other than a former employee whose position was classified in one of the grades of the professional and scientific service of the Classification Act of 1923, as amended, or a comparable grade of the Classification Act of 1923, as amended, or a comparable grade of the Classification Act of 1949, or who performed duties of a position comparable to a position so classified after the enactment of law requiring the classification of such positions) of the Lighthouse Service has died or shall hereafter die at a time when he was receiving or was entitled to receive retirement pay under section 763 of this title as amended and supplemented, and

(2) such former employee is survived by a widow who married him prior to his retirement from the Lighthouse Service and has not since remarried—such widow, so long as she does not remarry, shall be paid **[\$50]** \$75 per month by the Secretary of the Treasury.

SEC. 772. * * *.

Where—

(1) any employee (other than an employee whose position was classified in one of the grades of the professional and scientific services of the Classification Act of 1923, as amended, or a comparable grade of the Classification Act of 1949, or who performed duties of a position comparable to a position so classified after the enactment of law requiring the classification of such positions) of the Lighthouse Service has died or shall hereafter die from non-service-connected causes after fifteen or more years of employment in such service, and

(2) such employee is survived by a widow who has not since remarried, such widow, so long as she does not remarry, shall be paid **[\$50]** \$75 per month by the Secretary of the Treasury.